

## ROUTING AND TRANSMITTAL SLIP

Date

3 Apr 84

TO: (Name, office symbol, room number,  
building, Agency/Post)

Initials

Date

1. DDI

2. ExDir

3. DDCI

4.

5.

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

## REMARKS

Barter Trade Working Group

DO NOT use this form as a RECORD of approvals, concurrences, disposals,  
clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)

Room No.—Bldg.

3G00

D/OGI

5041-102

☆ GPO : 1980 O - 311-156 (17)

OPTIONAL FORM 41 (Rev. 7-76)  
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## Distribution:

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OGI/ECD:

(3 Apr 84)

DCI  
EXEC  
REG

STAT

B-223B.

DDI-02104/84

3 APR 1984

~~ADCI~~

MEMORANDUM FOR: Deputy Director for Intelligence

FROM :   
Director of Global Issues

STAT

SUBJECT : Barter Trade Working Group

1. I have looked over the 22 March letter Secretary Block sent to the Director on barter trade. From my perspective, this is an issue that is going to take on growing importance in the next several years. Since the group is explicitly designed "to review barter proposals or policies," full-fledged Agency participation, however, is not appropriate. Rather, I think it is best for us to offer participation through observer status. From the group's standpoint this will allow an appropriate intelligence input. From our perspective we will be able to keep abreast of policy concerns in the area.

2. As requested in the EA/DDI's note of 27 March 1984 (and in the final paragraph of the Block letter), I have attached a draft note for the DDCI to send to Mr. Klump of Agriculture and a transmittal memo for you to the DDCI explaining the background and purpose of the note. If you and the DDCI approve of this line of march, we will call Mr. Klump to advise him of how we plan to proceed.



STAT

Attachments:  
As stated



DDI- 02104/84/1

3 APR  
1984

MEMORANDUM FOR: *Acting* Deputy Director of Central Intelligence  
VIA : Executive Director  
FROM : Robert M. Gates  
Deputy Director for Intelligence  
SUBJECT : The Interagency Working Group on Barter Trade

1. Action: Sign the attached note to Mr. Elmer Klumpp, Special Assistant to the Under Secretary for International Affairs and Commodity Programs. The note designates [ ] as the Agency observer to the Interagency Working Group on Barter Trade.

STAT

2. Background: Late last month Secretary Block sent a letter to the DCI requesting CIA participation in a group which is going to focus on barter trade. Given the growing interest around town over barter trade, I think it would be a mistake not to have Agency representation on the group.

3. Barter trade not only affects regular commercial activities but has political overtones. For one thing it means that governments are becoming more involved in trade. From a strategic standpoint, barter could accelerate technology dispersion. From an East-West standpoint, greater reliance on barter could open new doors for the Soviets. We already have, for example, signs that the USSR and Argentina are talking about a grain-for-fertilizer deal. As LDCs look toward barter I am concerned that they will discover that the Soviets have been active players in the field for decades. Since, however, the group being established is explicitly designated "to review barter proposals or policies," our participation should be as an observer capable of supplying intelligence input as appropriate.

STAT

4. As far as representation is concerned, I recommend that [ ] be the Agency observer to the working group. His division in OGI has responsibility for monitoring and analyzing transnational trade issues and already has work under way on LDC-Soviet barter linkages. If this is acceptable, we will contact the Department of Agriculture to pass along [ ] name and other relevant information.

STAT

*Maurice Ernst concurs* *RG*  
Robert M. Gates

Attachment:  
As stated



DDI- 02-104/84/2

Central Intelligence Agency



06 APR 1984

Washington, D.C. 20505

MEMORANDUM FOR: Special Assistant to the Under Secretary  
for International Affairs and  
Commodity Programs  
Department of Agriculture

SUBJECT : Interagency Working Group on Barter Trade

On 22 March 1984 Secretary Block sent a letter to the Director of Central Intelligence asking that an Agency representative be designated for the new Interagency Working Group on Barter Trade. This note is to confirm an earlier call you received naming [redacted] Chief, Economics Division, Office of Global Issues as this Agency's observer to the working group. As explained in the earlier call, the policymaking role of the working group would make Agency representation inappropriate. I believe, however, that our involvement through observer status will facilitate the group receiving the necessary intelligence input.

STAT

/s/ John N. McMahon

John N. McMahon  
Deputy Director of Central Intelligence



*Rich  
Recommendation?  
JR*

27 March 1984

NOTE FOR: D/OGI

Jim:

Would you please look this over and make a recommendation to the DDCI as to whether we do or do not participate in this working group. A deadline of 30 March has been placed on this action.

Thanks,

EA/DDI

ACTION

STAT

STAT

*Jim*  
*Here is action [ ] asked*  
*you about. I gave a copy*  
*to Dave, but nothing*  
*further has been done on it*  
*Z*

**Page Denied**

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DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

MAR 22 1984

Executive Registry

84-1313

Mr. William J. Casey  
Director of Central Intelligence  
Washington, D.C. 20505

Dear Mr. Casey:

On January 17, 1984, Mr. Robert McFarlane (for the President) issued a memorandum entitled Interagency Consideration of Barter. The memorandum advised that the President has decided that the Emergency Mobilization Preparedness Board (EMPB) will be the senior body to review barter proposals or policies, and that all economic and trade policy related agencies should participate in the Board's consideration of barter proposals.

The mechanism employed by the EMPB for interagency coordination and development of objectives will be an interagency working group on barter chaired by the Department of Agriculture. I have designated Daniel G. Amstutz, Under Secretary for International Affairs and Commodity Programs to chair this group. In keeping with the operational guidance attached to the President's memorandum of December 17, 1981 (which established the EMPB), it is requested that your representative to the working group and your alternate hold the rank of Deputy Assistant Secretary or higher.

Your representative and alternate to the working group should also hold a security clearance of secret or higher. Please have your Department Security Officer certify in writing the level of security clearance of each representative to the Department of Agriculture Security Officer, Room 14-W, Administration Building, 14th Street and Independence Avenue, SW, Washington, D.C. 20250.

The first working group meeting will be held on Friday, April 13, at 10:30 a.m. in Room 212-E of the Department's Administration Building. Accordingly, we are requesting that you advise of your interest in membership on the working group and the name of your representatives by April 4, 1984. If you do not plan to participate in this working group, that should also be indicated.

Mr. Elmer Klumpp (447-2796) will be the point of contact for the working group and will be available to answer questions. Your response to the above request may be telephoned to him; however, it should be confirmed in writing. D. Anne Martin of the EMPB Secretariat has been designated as the working group Coordinator from the EMPB. She may be reached at 287-0884.

Sincerely,

John R. Block  
Secretary

